

Recommendations

Given that some of the key national strategies expire at the end of this year, and are related to our topic, decision makers can use this research and our recommendations in the process of preparing and writing new strategic documents, and, above all, we mean new employment strategies, education strategies and strategies to support the development of small and medium enterprises, entrepreneurship and competitiveness, as well as highlighting the Action Plan for the implementation of National strategy for youth from 2018 to 2020. We believe that it is necessary to include the recommendations contained in this document in the new strategic documents and policy instruments. Of course, some of the recommendations are outside the scope of these strategies and require changes in various forms of public policy instruments and administrative acts, but they can also be foreseen in strategic documents.

Strategic documents to be adopted in the next few years that must introduce or strengthen the youth entrepreneurship component:

- Action plan for the implementation of the National Youth Strategy for the period from 2020 to 2023 or 2024. In the process of drafting the action plan, the Ministry of Youth and Sports should direct more funds and activities to various programs and projects related to youth entrepreneurship. It should duplicate the number of programs, projects or activities planned in activities 1.3, increase the number of direct beneficiaries and increase the budget funds available.

In accordance with the Action Plan, through public calls for the implementation of the Action Plan to stimulate various forms of employment, self-employment and youth entrepreneurship, the recommendation is to increase the number of project programs by double (from 21/28 to at least 45 by the end of the action plan) and increase funds to 100,000.000.00 dinars).

- Considering that the National strategy for employment expires at the end of 2020, the new strategy must clearly define the employment of young people as a strategic goal and increase the number of beneficiaries of action plans for employment, as well as the number of young employees from the National employment service's records. The strategy must recognize young people who are not employed, not in education or training (NEET) as a separate category and define goals, measures and activities on how to reduce the number of young people in this category. Young people who are not employed, not in education, nor in training must be a special category of hard-to-employ persons in order to be able to use all the envisaged measures provided by subsidies for employment, but also self-employment. In this way, the Strategy for employment must take into account all young people (up to 30 years of age) and continue to encourage their employment, but also to provide special programs and measures for those in the category of NEET youth.

- The strategy to support the development of small and medium enterprises, entrepreneurship and competitiveness expires in 2020 and the new strategy, if adopted, must specifically include the development of youth entrepreneurship in strategic goals - through improving the business environment for young entrepreneurs, tax environment, improve

access to finance and capital and access to new markets, as well as to position the young entrepreneur as the engine of the economy in the future.

- The Strategy for the development of education in the Republic of Serbia also expires in 2020, and the next strategy should include the introduction of entrepreneurship as a subject in all high schools, as well as in most faculties. By 2025 at the latest, every educational institution should have education programs for entrepreneurship, aimed, of course, at the primary areas of education. The strategy should envisage the adoption of a new National qualifications framework and form a national institution that would create a format of entrepreneurial learning and monitor the development of educational programs in this area.

- Needed is also the development and adoption of the Strategy for the Development of Women's Entrepreneurship, which would especially include the strengthening of young women and the improvement of entrepreneurial skills, but also the creation of a stimulating and favorable environment.

Other recommendations achieved by amending other legal frameworks:

- Defining a young entrepreneur or youth company as a legal category. A young entrepreneur is a person not older than 30, or a person who has opened a company before the age of 30, and no longer than 35 years of age. This legal form would later permeate all activities, measures and programs of the Government or other competent institutions, and would have a special tax treatment. A youth company would be the same legal form as a limited liability company, if it is run and represented by young people, and all employed young people in the company would have the rights to benefits regarding taxes and contributions.

- In financial terms, every young entrepreneur is exempt from taxes and contributions in the first 12 months of business and is entitled to benefits (exemption of 50% of taxes and contributions) for each employed young worker. Until the age of 35, a young entrepreneur is exempt from part of the tax, so that the rate of tax increase does not exceed more than 10% annually.

- Reduce communal service bills and other fees with public companies for young entrepreneurs and youth companies in the first year of business by 1/3 and abolish the payment of tax on profit in the first year with the obligation not to reduce the number of employees by more than 15% in the next year .

- Encourage financial institutions in order for them to provide more favorable conditions for the use of financial instruments for young entrepreneurs and youth companies (defined through the National Strategy for Entrepreneurship Development).

- Through amendments to the Law on Financing of Local Self-Governments, define the acquisition and use of business premises under special conditions for young entrepreneurs and youth companies.

- Clear legislation must be established (through amendments to existing laws and through the adoption of a special law) to regulate venture capital funds, provide financial and tax

incentives and completely standardize the area to facilitate the financing of youth entrepreneurship.

- Strengthening the entrepreneurial infrastructure through the construction of business incubators and support to networks / associations of young entrepreneurs (each of the 27 cities in the Republic of Serbia must have at least one business incubator intended for young entrepreneurs).

- The Law on Social Entrepreneurship should define a social economic society of young people which would aim to employ young people or create services for young people. Define the category of a young social entrepreneur who employs young people or directs their work and activities to the youth in the amount of at least 40%. Through financial relief, further reduce the intentions of social enterprises of young people and young social entrepreneurs so that they do not exceed 50% of regular levies.

- Taxation at a rate of 10% for all services and products created by social enterprises of young people or young social entrepreneurs.